

Testimony
House Bill 1157 – Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman
January 13, 2009

Chairman Weisz, members of the Human Services Committee, I am Julie Leer, Director of the Legal Advisory Unit for the Department of Human Services. I am here today in support of House Bill 1157.

The Department introduced this bill to clean up the Medicaid estate collections statute as it relates to the clawback payment required by federal law through the implementation of Medicare Part D.

Medicaid establishes an estate collection upon the death of certain Medicaid recipients, if the recipient has available assets at the time of his or her death. The clawback payment is a state payment to the federal government for the state share of prescription drug benefits for dual-eligibles (those eligible for both Medicare and Medicaid). The clawback payments started in 2006, coinciding with the implementation of Medicare Part D.

When this language was authorized during the 2007 Legislative Session, it allocated estate collections for clawback recipients for months during which no benefit payments were made on those recipients' behalfs. This is problematic with federal law because the clawback payment is state funds and the federal government would not receive the appropriate portion of the estate collection under the existing language.

The changes in 4a and 4b of this bill will ensure estate collections for the clawback payments are only secured for months in which a clawback payment was made.

I would be happy to address any questions that you may have.